

City of Corunna
Special Council Meeting
Thursday, December 18, 2003

Present: Corey, Johnson, Lantis, Mehigh, Runyan, Sanderson.

Absent: Wagner (arrived at 6:32 p.m.).

Guests: Joe Sawyer, City Manager; Merilee Lawson; Dick Miller, Jackie Leone, The Argus Press; Bill Constine, The Independent; and other concerned citizens.

The meeting was called to order in the City Council Chambers by Mayor Corey at 6:30 p.m.

AGENDA APPROVAL: Johnson moved, Mehigh seconded to approve the agenda as presented.

Roll call vote:

Yes: Lantis, Runyan, Mehigh, Johnson, Sanderson.

No: None.

Motion CARRIED

Wagner arrived at 6:32 p.m.

CONSIDER ACCEPTANCE OF GIFT OF BUILDING: Mayor Corey advised Mr. Katz would be at city hall tomorrow around 11:15 a.m., and if that happens, a proclamation would be presented to him at that time. Mr. Sawyer advised it was Hawkeye Environmental's intent to have a preliminary report prepared today, but John Stender was unable to complete the report. A walk through and magnetic sweep has been done to the building and at this point, it is Mr. Stender's opinion that no further environmental study would have to be done on the property. Mr. Sawyer further advised McKenzie Environmental would then need to review the report. Mayor Corey read the resolution that council was considering. Johnson moved, Runyan seconded to accept the charitable donation from KVYN Realty located at 503 S. Shiawassee and identified by tax parcel identification number 78-026-18-100-000 by approving the following resolution:

CITY OF CORUNNA
(Shiawassee County, Michigan)

RESOLUTION ACCEPTING REAL ESTATE

WHEREAS, KVYN Realty ("KVYN") is the owner of approximately 10 acres of land in the City of Corunna (the "City"), containing approximately 120, 000 square feet of buildings, located at 503 S. Shiawassee, and identified by tax parcel identification number 78-026-18-100-000 (the "Property"); and

WHEREAS, KVYN has offered to make a charitable donation of the land to the City.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. Acceptance of the Property is hereby found to be a public purpose and in the best interest of the health, safety and welfare of the City.
2. The City accepts the conveyance of the Property “as is.”
3. There will be no proration of property taxes for the property. KVYN will be responsible for any taxes billed before December 1, 2003 and the City shall be responsible for all taxes billed on or after December 1, 2003. KVYN will be responsible for all utilities (electric & gas) up to the date of transfer.
4. There will be no proration of prepaid rents for the Property. All rents paid prior to the conveyance of the Property shall belong to KVYN.
5. Upon conveyance of the Property, the City will execute Part IV of an Internal Revenue Service Form 8283, and any other appropriate forms required by the IRS, provided it is in a form reasonably acceptable to the City’s legal counsel.
6. The Mayor, Clerk and Treasurer are hereby authorized to do all acts and things and to execute any documents or certificates as they may determine to be necessary or desirable, and to deliver such documents to the parties to effectuate the conveyance of the Property.
7. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and they are hereby rescinded.

Councilperson Sanderson asked what the next step would be. Mr. Sawyer advised Mr. Katz would be in tomorrow to sign all of the necessary documents and he has agreed to pay the utilities until December 31. Councilperson Sanderson asked if Sears was out of the building. Mr. Sawyer advised no, they would be out of the building by December 31. Councilperson Sanderson asked if Sears would be given an extension if they need one. Mr. Sawyer advised an extension was offered but Sears has no interest in an extension. Mayor Corey asked if the building was being cleaned up. Mr. Sawyer advised Sears is not moving real fast. Councilperson Mehig asked if the city could dispose of what is left in the building after Sears moves out. Mr. Sawyer advised yes.

Roll call vote:

Yes: Mehig, Lantis, Runyan, Johnson, Sanderson, Wagner.

No: None.

Motion CARRIED

CALL TO AUDIENCE: Dick Miller stated he thought this was a good move for the city and he was real happy about the decision. Mayor Corey stated he was glad to hear something positive. Mr. Miller stated this decision would do the city some good. The building will come off the tax base but he looks at the City of Corunna differently than a lot of people

do. He further stated the city is the county seat and does not have the tax base that it would have if it was not the county seat. He drove around the building the other day and it looks pretty good all the way around. He also stated the building is in a good location to lease out because the state highway is on the corner and there is an all weather road leading to the expressway. Mr. Miller advised he thought this would help the city with the other piece of property the city bought. Mayor Corey stated the city council is thinking the same thing because there has been discussion at some of the previous council meetings about this.

ROUNDTABLE DISCUSSION: Councilperson Runyan stated the signing of the papers tomorrow would be a historic moment for the City of Corunna.

Councilperson Sanderson thanked Mr. Sawyer, Ms. Lawson and the council for agreeing to accept this gift. Eventually, this will pay big dividends for the city and he was very proud of the people who got this going.

Councilperson Mehig expressed his great gratitude to Mr. Katz for donating the property to the city. The property is probably the biggest gift the city has ever received and this was a fantastic gesture on Mr. Katz's part to do this for the community.

Mayor Corey stated the city has had a couple of good donations this year starting with the Olmsted building and now this building. It has been a very profitable year for the city. Mr. Miller stated he also wanted to compliment the city for accepting the Olmsted building because he thought the building would be a great library.

Councilperson Lantis updated the council on the district library. She thought the meeting went fairly well and it seemed that most of the parties at the meeting were favorable with asking for .5 mills. She advised if more millage was asked for, she did not think a lot of the communities would put the issue on the ballot. Mayor Corey asked if the representatives that were present gave any indication whether their people would pass the millage. Mr. Sawyer advised the current members of the proposed agreement are the townships that have library branches within the township. He sensed that most of the townships would be behind the .5 mills. He further advised the library staff would like to see .6 or .7 mills, but several people took a very firm position that .5 mills would be it and he was one of those people. Mayor Corey stated he thought .5 mills or whatever is proposed would be great. Councilperson Lantis stated it would be nice to get a couple more townships on board. Councilperson Runyan stated .5 mills would generate an enormous increase in the library budget. Mr. Sawyer advised the intent is to keep all five of the library branches open as well as the Corunna branch and the cost to run all of the branches with a head librarian position would be around \$220,000. He further advised with the .5 mills from all of the jurisdictions, penal fines and state aid, the budget would be about \$240,000 so there is not a lot of flexibility. If Caledonia Charter Township elects to participate, the district library would be healthy, but if not, the district library would operate with barebones. Mayor Corey asked if a special election would be held or if the townships would wait until August or November. Mr. Sawyer advised the target is August. The timeframe for signing the district library agreement would be February,

March or April. He further advised all of the assets and monies of the Shiawassee Library and the Corunna Library would be merged at that point, a board would be appointed and the district would start to operate. The Shiawassee Library has \$80,000 to \$90,000 in their reserves that would be put into the district library, and the city would continue to support the district library at the current funding level, which is \$26,000 per year, until the millage vote took place. He also advised if the millage vote fails, then the district library would be dissolved and all of the assets would go back to the municipalities. If the millage rate only passes in two of the municipalities, then the other five representatives would come off of the library board.

Mr. Sawyer advised last year, council chose to cancel the first meeting in January due to vacation and absence issues. At this point, he does not have anything for the January 5, 2004 agenda other than budget amendments, which is usually done the first meeting in January. He further advised he brought this before council in case council wants to give this consideration. Mayor Corey advised council could meet if no one has anything else scheduled or the meeting could be canceled.

John Stender arrived at 6:52 p.m. and advised everything on the KVYN property looks good. There were a couple of areas that will be revisited tomorrow. He further advised he found some really good historical information about the property tonight and he felt confident that the property should not be a big problem. He also advised he would have a draft report done by Monday.

ADJOURN: Johnson moved, Wagner seconded to adjourn.

Roll call vote:

Yes: Johnson, Sanderson, Wagner, Mehig, Runyan, Lantis.

No: None.

Motion CARRIED Time was 6:56 p.m.

STEVE COREY, MAYOR

YVONNE F. LONG, CITY CLERK